

# **AOT in Action**

Welcome to AOT in Action, your weekly e-newsletter from the Arizona Office of Tourism (AOT).

# A Message from Director Sherry Henry:

#### Good morning,

Congratulations to the <u>Arizona Biltmore</u> who is celebrating a milestone this year! The resort is commemorating its 80<sup>th</sup> anniversary throughout the year with special events and activities. Set in the heart of Phoenix, this resort has had a vibrant history of accommodating guests since 1929. The Biltmore is a wonderful asset to the Arizona tourism industry and a fantastic way for our visitors to experience luxury in the Sonoran desert. Be sure to visit <a href="https://www.arizonabiltmore.com">www.arizonabiltmore.com</a> for more information.

Another major cause for celebration goes to our Historic Route 66 for receiving an All-American Road distinction! Last week the U.S. Transportation Secretary announced 42 new designations to the America's Byways collection, which includes five All-American Roads and 37 National Scenic Byways in 26 states.

Route 66 was awarded the All-American Road title along with the Florida Keys Scenic Highway, Maine's Acadia All American Road –Trenton Extension, Maryland's Harriet Tubman Underground Railroad Byway, and Michigan's Woodward Avenue (M-1) - Automotive Heritage Trail

According to the U.S. Transportation Department, to receive an All-American Road designation, a road must possess multiple intrinsic qualities that are nationally significant and contain one-of-a-kind features that do not exist elsewhere. The road must also be considered a "destination unto itself." That is, the Byway must be the primary destination for a trip, and must provide an exceptional travel experience.

This is an incredible acknowledgement for this extraordinary Arizona gem and confirms what residents have always known and visitors often discover – that Route 66 is a national treasure.

Have a great week! As for me, I'm off to... "get my kicks on Route 66"!

#### **AOT News**

#### New Updates to AOT's Research Web site!

The following items have been updated in the Research and Statistics section of AOT's business-to-business Web site <a href="https://www.azot.gov">www.azot.gov</a>.

• National Park Visitation June 2009

For additional information or questions, please contact Melissa Elkins, Research Manager, at 602-364-3716 or via e-mail at <a href="melkins@azot.gov">melkins@azot.gov</a>.

#### SAVE the DATE: Arizona Tourism University Workshops November 13, 17 & 19

The Arizona Office of Tourism is proud to present Arizona Tourism University's complimentary workshop series "Advocacy: A Necessary Skill in Challenging Times"

These workshops will primarily focus on advocacy techniques such as how to develop messages, build coalitions and utilize human resources to engage in grass roots advocacy in support of your policy initiatives. The sessions will be offered by speaker Barry Aarons, owner of The Aarons Company LLC a Public Policy Consulting firm and Faculty Member of the Arlington, Virginia based Leadership Institute.

To register, please contact Meghan Dorn at 602-364-3708 or via email at <a href="mailto:mdorn@azot.gov">mdorn@azot.gov</a>.

"Advocacy: A Necessary Skill in Challenging Times" Workshops will be held from 10:00 a.m. to 1:00 p.m. in the following locations:

#### Kingman

Friday, November 13 The Powerhouse Tourist Information & Visitor Center 120 W. Route 66 Kingman, AZ 86401

#### Casa Grande

Tuesday, November 17 Holiday Inn Casa Grande 777 N Pinal Ave Casa Grande, AZ 85222

#### **Rock Springs**

Thursday, November 19 Rock Springs Café 35769 South Old Black Canyon Highway Rock Springs, Arizona 85324

#### **AOT Activities**

# Join AOT for the Chicago Sales Mission

AOT will be conducting a five-day sales mission to the Chicago area from January 18-22, 2010. The five-day mission will consist of sales calls and destination training to travel agencies in the Chicago area. The purpose of the mission is to enhance Arizona awareness and compliment AOT's advertising campaign in this key domestic market. Participation is open to Arizona DMOs, CVBs and Chambers.

Cost to participate is \$300 plus travel expenses. Space is limited to five partners and a lottery will be implemented if necessary. The deadline is **November 6, 2009**. For more information, contact Kristy Swanson at 602-364-3696 or via e-mail at kswanson@azot.gov.

# Arizona Media Marketplace a Success!

The Arizona Office of Tourism hosted annual Arizona Media Marketplace last Thursday at the Scottsdale Fairmont Resort. AOT's Marketplace was held in conjunction with the annual Travel Classics West conference. More than 40 Arizona DMOs, CVBs and attractions participated as exhibitors at the event. Nearly 30 Arizona journalists, as well as several of the national and international Travel Classics West journalists and editors, visited the event and spoke to the exhibitors about their destinations. We hope many stories are generated from the event! For more information, contact Laura French at 602-364-3720 or via e-mail at <a href="mailto:lfrench@azot.gov">lfrench@azot.gov</a>.

# **Arizona Hosts Travel Professionals from Italy**

AOT recently hosted a group of travel agents from Italy on a weeklong familiarization tour. The trip was requested by Intertravel out of Florence, Italy and was made up of their top selling US travel agents. A total of five agents participated in the tour and were from Verona, Florence, Turin and Milan. The group began their trip in Phoenix and then continued north where they were hosted in Monument Valley, Page/Lake Powell, Grand Canyon, Flagstaff and Sedona before returning to Phoenix and Scottsdale for their last night. For many members of the group it was a first time visit to Arizona so it was an excellent opportunity to showcase Arizona's diverse natural scenery, Native American and western culture and wide range of accommodations. For more information please contact Hylton Fothergill at 602 364 3706 or via e-mail at hfothergill@azot.gov.

# **Upcoming Events & Activities**

#### **Japan Sales Mission**

Date: October 26 – 30

Location: Tokyo and Osaka, Japan

#### Art and Design in the Valley Press Trip

**Date:** November 5 – 8 Location: Phoenix, Tempe

# **World Travel Market**

**Date:** November 9 – 12 Location: London, UK

#### Family Adventure AAA/CAA FAM Tour

Date: November 12-15

Location: Greater Phoenix Area and Yuma

# **Industry News**

#### **UAL Posts Q3 Loss as Revenues Fall 20%**

United Airlines said it expects to pocket \$100 million annually and expand its worldwide reach from a new partnership that kicked off Tuesday as Continental Airlines joined the Star Alliance, a global airline consortium co-founded by United. The Continental tie-up should bring a badly needed revenue boost to Chicago-based United, which on Tuesday reported a third-quarter loss of \$57 million or 39 cents per share, as revenues plunged 20 percent. With cash scarce and resources stretched, United is increasingly dependent on its partnerships and its global alliance to boost its customer offerings.

Passengers will see an immediate benefit as the two carriers begin marketing seats on each other's flights on a limited basis, a process known as code-sharing. United passengers can tap Continental's larger array of destinations in Latin America and Europe, while Continental customers will gain entry to United's far larger network in Asia. Frequent flyers will earn miles for Continental flights they take and will be welcomed into the Houston-based carrier's executive lounges in airports where United doesn't have similar facilities. (www.ChicagoTribune.com/Business; www.Star-Telegram.com/.Business; Pages B4, Wall Street Journal; B5, New York Times; Travel Advance, Oct. 21)

#### **Hotels Still Struggling But There Are Bright**

While hotels across the country continue to struggle with slumping occupancy rates and sliding revenues, industry data released Tuesday show signs of improvement in several regions. The hotel occupancy rate nationwide dropped 5.4 percentage points to 59.8 percent in the first week of October, compared with the same period last year, while revenue per available room fell 12% to \$59.28, according to Smith Travel Research Global. Although Tuesday's data show some improvements in a handful of cities, industry experts say the hotel industry will not begin to rebound until 2011 or 2012.

The STR report shows a slight rebound in spending among leisure and convention travelers in Anaheim, Los Angeles, San Francisco, New York, New Orleans and Boston, among other cities. Among the top 25 major markets in the country, only New Orleans reported increases in the three key hotel indicators: occupancy rates, average daily room rates and revenue per available room. (www.latimes.com/Business; Travel Advance, Oct. 21)

# **Survey Fins Most Firms Tightening Travel Policy**

The number of travel managers who expect their company's travel policies to become tighter in the next 12 months for the first time has crossed 50 percent, according to an AirPlus International survey, just released. The survey of 1,500 travel managers-100 each from 15 countries, including Brazil, China, France, Germany, the U.K. and the U.S.-was fielded in February and March. While 58 percent of all respondents said their companies' policies would become stricter, 62 percent of U.S. respondents said they would. An increasing number of companies also are implementing policies for all aspects of their travel program, with 70 percent of respondents indicating their companies do so, up from 57 percent last year.

Only one-quarter of the travel managers surveyed anticipate spending more on travel in the next 12 months, down from the 58 percent last year. One-third of respondents anticipate reducing travel spending. An all-time low of 26 percent of respondents said their air trips would grow in the next 12 months. (www.BTNOnline.com, 10/19; Travel Advance, Oct. 21)

#### **Airlines Spot Signs of Slow Improvement**

Three major airlines said Wednesday that it appears the industry is showing slow improvement from its loss earlier this year, though fares, revenue and profit still lag far behind what they'd like to see. "We're encouraged by some improvements in the recent corporate traffic numbers," said Tom Horton, CFO of American Airlines' parent AMR. The carriers are keeping a close eye out for a recovery in business travel, with officials saying that leisure traffic remained strong in the summer because of low fares that were good for passengers but not for the airlines. AMR reported a third-quarter net loss on Wednesday of \$359 million, or \$1.26 a share, on revenue of \$5.13 billion. That compares with a \$31 million profit or 12 cents a share, on revenues of \$6.42 billion in third quarter 2008.

Continental Airlines said it lost \$18 million, or 14 cents a share, on revenue of \$3.32 billion last quarter, compared with a \$230 million loss, or \$2.09 a share, on revenue of \$4.16 billion a year earlier. Excluding special items, Continental said it earned \$2 million, or 2 cents a share. AirTran Holdings, parent of Air Tran Airways, reported that it earned \$10.4 million, or 8 cents a share, on revenue of \$597.4 million. That compares with a loss of \$94.6 million, or 81 cents a share, on revenue of \$673.3 million in the third quarter of 2008. At Continental, executives said they expected relatively strong passenger demand over the holiday period but deeply discounted fares in between. (www.DallasMornintgNews.com/Business; www.Star-Telegram.com/Business, Page B2, New York Times; Travel Advance, Oct. 22)

#### **Travel Industry Buoyed by Earnings Report**

The U.S. travel industry appears to have survived the recession but has yet to recover from it, earnings results from the third quarter indicate. Delta, the world's largest airline, and US Airways, the sixth-largest, reported losses for the quarter on Thursday. But they said they saw signs that travel is beginning to pick up. Demand, measured against last year, improved in each month in the third quarter, and is up again so far in October. US Airways said advance bookings for flights in the fourth quarter were stronger than expected.

JetBlue, meanwhile, reported a modest third-quarter profit. Starwood, which owns Sheraton, Westin, W and St. Regis hotels, reported a weak but better-than-expected profit. Most other big travel companies reported similarly positive results. In most cases, they topped analysts'

earnings expectations. Many reported travel demand in September was stronger than had been projected. American Express, a barometer of affluent consumer and corporate spending patterns, reported better-than-expected earnings and expressed confidence that the recession is ending even as credit-card delinquencies and defaults remain at unusually high levels. (Pages 3BG, UJSA Today; B5, New York Times; C1, Wall Street Journal; www.ajc.com/Business; www.Philly.com/Business; Travel Advance, Oct. 23)

#### Trade Associations, Suppliers Ramping Up H1N1 Strategies

Travel Weekly offered a major roundup of what various travel industry trade associations and supplier sectors are doing to prepare for a H1N1 pandemic. The American Society of Travel Agents and the National Business Travel Association aim to function as information hubs for their members who might find themselves dealing simultaneously with a high incidence of illness among both clients and travel professionals. ASTA is a member of the Tourism Emergency Response Network, a worldwide travel group that shares information regularly with the World Health Organization

The Caribbean is particularly nervous because its peak season coincides with the flu season and where Mexico's earlier struggles are both fresh and troubling, said TW. Most major hotel companies globally have adopted swine flu preparedness and education plans for their properties following last spring's H1N1 outbreak in Mexico. Cruise lines face some of the same issues as hotels with respect to housekeeping, sanitation and treatment of guests, but they have the additional challenge of ensuring that their ships are not turned away from ports of call due to fears of the H1N1 flu.

Airline officials say that like the hotel and cruise industries, they're ready to handle the impact of the H1N1 flu virus during the coming flu season. Airlines point out that for now there are no proscriptions that would keep passengers off planes. Since the swine flu broke out last spring, tour operators have ramped up health and hygiene measures and education on group tours and will continue to do so as the flu season takes full hold. (www.TravelWeekly.com, 10/20; Travel Advance, Oct. 23)

#### Study Reveals Popularity of Cultural, Heritage Travel

A recent research study reveals that 78 percent of all U.S. leisure travelers participate in cultural and/or heritage activities while traveling, translating to 118.3 million adults each year. With cultural and heritage travelers spending an average of \$994 per trip, they contribute more than \$192 billion annually to the U.S. economy. The study was conducted by Mandalla Research for the U.S. Cultural & Heritage Tourism Marketing Council, in conjunction with the U.S. Department of Commerce. Heritage Travel Inc., a subsidiary of The National Trust for Historic Preservation, was the lead sponsor of the study.

"We discovered that an impressive number of U.S. travelers seek out cultural and heritage experiences," said Helen Marano, director of the Office of Travel and Tourism Industries for the Commerce Department. The study is the first to segment cultural and/or heritage travelers, showing the diverse groups that exist within this broader category of travelers. Cultural and heritage travelers as a whole are more frequent travelers, reporting an average of 5.01 leisure trips in the past 12 months. They are also more frequent business travelers and more likely to have taken an international trip in the past 12 months than their non- cultural/heritage counterparts. (www.TravelAgentCentral.com, 10/22; Travel Advance, Oct. 23)

# Maricopa Area Welcomes New Bed and Breakfast

Nestled in the Haley Hills, surrounded by majestic Saguaro cacti, countless native desert plants and wildlife, is the newly-opened Coyote Trail Bed and Breakfast. The bed and breakfast has five bedrooms along with many amenities and services.

"I have stayed at several bed and breakfasts and always liked the atmosphere, so I thought I would bring one to the Maricopa area," said the location's owner Mary Jane Lopez. "This area is so beautiful, and I just wanted to share it,"

For more information, visit www.coyotetrailbedandbreakfast.com.

#### **Calendar of Events**

Visit <u>www.ArizonaGuide.com</u> to find information on all the exciting <u>events, festivals and activities</u> held throughout the Grand Canyon State!

#### Connect with the Arizona Office of Tourism!

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